

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

Katahdin Forest Log Homes

Maine Manufacturing Extension Partnership

Extreme Makeover for Log Home Manufacturer in Maine

Client Profile:

Katahdin Forest Products, Inc. is a leading supplier of cedar log homes and manufactured cedar products, distributed nationally under its brand name Katahdin Cedar Log Homes. Katahdin Cedar Log Homes provides high quality, custom cedar log homes to the high end of the custom home market. Located in Oakfield, Maine, Katahdin Forest Products has access to one of the largest stands of northern white cedar in the US, and employs 100 people.

Situation:

Katahdin Forest Products was selected by ABC to build a log home on the ABC Extreme Makeover show for a deserving family in Southern Maine. The Extreme Makeover show is the number one rated show on ABC network television with an estimated 22 million viewers. The episode aired on November 13, 2005. This one marketing opportunity catapulted Katahdin Cedar Log Homes into the homes of over 22 million potential customers and offered Katahdin the opportunity to leap frog all of its competitors to become the largest manufacturer of cedar log homes in North America, dominating the industry with its advanced manufacturing techniques and robust dealer network. This opportunity also posed extraordinary risks of failure if Katahdin did not plan and invest wisely to meet its anticipated growth. Katahdin Forest Products hired the Maine Manufacturing Extension Partnership (Maine MEP), a NIST MEP network affiliate, to perform a strategic business and technology assessment of its company.

Solution:

Maine MEP performed an in-depth business and technology assessment and determined that Katahdin held a strong competitive technology advantage capable of manufacturing its high quality homes in a way that dramatically shortens the time from order to ownership thus reducing overall acquisition costs. Dealers experience shorter sales cycles, quicker commissions on closed deals and reduced risk of failed projects. This technological advantage combined with the extraordinary marketing opportunity provided by ABC Extreme Home Makeover could propel Katahdin to the top of its industry tripling its sales and dealer network within 24 months. The Maine MEP assessment also provided Katahdin with important insights into its operations and management capabilities which will require extensive training and staff augmentation as the company rapidly grows. The Maine MEP's High Skills Training Program has agreed to support Katahdin's executive and engineering training efforts.

Results:

- * Built the ABC Extreme Home Makeover log home.
- * Recruited dealers from its competitors.

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- * Anticipated 100 percent increase in revenues in 2006.
- * Increased employment anticipated.

Testimonial:

"Katahdin is faced with its greatest challenge ever, and the Maine MEP has helped us focus our efforts and clarify our strategies to meet this challenge successfully. I am pleased to have the Maine MEP on our team."

David Gordon, President